ROAD KING INFRASTRUCTURE LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1098)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

HIGHLIGHTS

	2012 *HK$*	2011 *HK$* (restated)
Revenue	**9,344 million**	6,833 million
Receipts from property sales	**11,388 million**	6,817 million
Cash receipts from toll road joint ventures	**523 million**	658 million
Profit attributable to owners of the Company	**818 million**	735 million
Consolidated earnings before interest, tax, depreciation and amortisation	**2,856 million**	2,311 million
Earnings per share	**1.10**	0.99
Dividend per share (interim and proposed final)	**0.46**	0.46
Bank balances and cash	**5,168 million**	3,184 million
Net assets per share attributable to owners of the Company	**15.9**	14.9
Net gearing ratio (percent)	**51%**	61%

RESULTS

The Board of Directors (the "Board") of Road King Infrastructure Limited (the "Company") announces the audited consolidated income statement and consolidated statement of comprehensive income of the Company and its subsidiaries (the "Group") for the year ended 31 December 2012, and consolidated statement of financial position of the Group as at 31 December 2012 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2012

	NOTES	2012 HK$'000	2011 HK$'000 (restated) (Note 2)
Revenue	3	**9,344,130**	6,832,508
Cost of sales		**(6,625,755)**	(4,921,765)
Gross profit		**2,718,375**	1,910,743
Interest income		**50,141**	30,441
Other income		**21,815**	18,581
Other gains and losses	5	**301,517**	396,569
Selling expenses		**(342,195)**	(246,131)
Operating expenses		**(494,001)**	(453,457)
Share of results of joint ventures	6	**286,636**	335,219
Finance costs	7	**(224,551)**	(132,379)
Profit before taxation	8	**2,317,737**	1,859,586
Income tax expenses	9	**(1,465,003)**	(1,116,873)
Profit for the year		**852,734**	742,713
Profit attributable to:			
Owners of the Company		**818,179**	735,007
Non-controlling interests		**34,555**	7,706
		852,734	742,713
Earnings per share	11		
– Basic		**HK$1.10**	HK$0.99
– Diluted		**HK$1.10**	HK$0.99

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	2012	2011
	HK$'000	*HK$'000*
		(restated)
Profit for the year	**852,734**	742,713
Other comprehensive income		
Exchange differences arising on translation to presentation currency	**206,023**	433,100
Total comprehensive income for the year	**1,058,757**	1,175,813
Total comprehensive income attributable to:		
Owners of the Company	**1,017,589**	1,162,015
Non-controlling interests	**41,168**	13,798
	1,058,757	1,175,813

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2012

	NOTES	**31 December 2012** **HK$'000**	31 December 2011 HK$'000 (restated)	1 January 2011 HK$'000 (restated)
ASSETS				
Non-current assets				
Property, plant and equipment		**56,983**	56,093	60,043
Investment properties		**2,210,338**	1,697,470	715,386
Prepayment for land leases		**–**	648,220	–
Interests in joint ventures		**4,021,241**	4,207,599	3,855,047
Deferred tax assets		**36,575**	3,144	6,500
Loans to a joint venture		**302,792**	45,202	–
Long-term receivables		**72,517**	94,559	110,634
		6,700,446	6,752,287	4,747,610
Current assets				
Inventory of properties		**23,175,850**	17,085,092	14,496,917
Prepayment for land leases		**902,580**	3,585,282	1,783,378
Loan to a joint venture		**86,849**	–	43,649
Loan to a related company		**–**	–	23,400
Debtors, deposits and prepayments	*12*	**806,961**	583,525	974,810
Prepaid income tax		**265,392**	305,296	196,694
Pledged bank deposits		**168,828**	236,881	189,546
Bank balances and cash		**5,168,435**	3,183,826	5,230,371
		30,574,895	24,979,902	22,938,765
Total assets		**37,275,341**	31,732,189	27,686,375

	NOTES	**31 December 2012** *HK$'000*	31 December 2011 *HK$'000* (restated)	1 January 2011 *HK$'000* (restated)
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital		**74,193**	74,193	74,193
Reserves		**11,718,938**	10,998,123	10,169,979
		11,793,131	11,072,316	10,244,172
Non-controlling interests		**429,742**	276,912	115,663
Total equity		**12,222,873**	11,349,228	10,359,835
Non-current liabilities				
Bank and other borrowings – due after one year		**7,990,404**	6,651,422	5,686,644
Loans from non-controlling interests of a subsidiary		**97,882**	268,689	–
Deferred tax liabilities		**641,634**	546,810	327,433
		8,729,920	7,466,921	6,014,077
Current liabilities				
Creditors and accrued charges	*13*	**4,762,500**	3,292,837	2,419,010
Deposits from pre-sale of properties		**6,543,789**	4,939,851	5,213,949
Income tax payable		**1,323,643**	1,099,539	676,081
Bank and other borrowings – due within one year		**3,369,967**	3,499,636	3,003,423
Loans from non-controlling interests of a subsidiary		**274,690**	–	–
Other financial liabilities		**47,959**	84,177	–
		16,322,548	12,916,040	11,312,463
Total equity and liabilities		**37,275,341**	31,732,189	27,686,375

NOTES:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "SEHK") and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments which are measured at fair values.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA:

Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets
Amendments to HKAS 1	As part of the Annual Improvements to HKFRSs 2009 – 2011 Cycle issued in 2012

Except as described below, the application of the amendments to HKFRS 7 in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets"

The Group has applied for the first time the amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" in the current year. Under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment Property" are presumed to be recovered entirely through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The Group measures its investment properties using the fair value model. As a result of the application of the amendments to HKAS 12, the directors of the Company ("the Directors") reviewed the Group's investment property portfolios and concluded that for certain of the Group's investment properties, their carrying amounts will be recovered through sale, and that for the other investment properties of the Group, the properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time and therefore the presumption set out in the amendments to HKAS 12 is rebutted by the Group in respect of these properties.

As a result of the application of the amendments to HKAS 12, the Group recognised additional deferred taxes in respect of those investment properties situated in the PRC which are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time and are subject to land appreciation tax and enterprise income tax on disposal of these investment properties. Previously, the Group did not recognise deferred tax relating to land appreciation tax on changes in fair value of those investment properties on the basis that the deferred tax was measured based on the assumption that the carrying amounts of these properties would be recovered through use.

The amendments to HKAS 12 have been applied retrospectively, resulting in the Group's deferred tax liabilities being increased by HK$126,956,000 and HK$43,963,000 as at 31 December 2011 and 1 January 2011 respectively, with the corresponding adjustment being recognised as a deduction of retained profits. In addition, the application of the amendments has resulted in the Group's income tax expenses for the years ended 31 December 2012 and 31 December 2011 being increased by HK$16,237,000 and HK$82,993,000 respectively and hence resulted in the profit for the years ended 31 December 2012 and 31 December 2011 being decreased by HK$16,237,000 and HK$82,993,000 respectively.

Summary of the effects of the adoption of amendments to HKAS 12

The effect of the adoption of amendments to HKAS 12 described above on the consolidated income statement for the current and prior year is as follows:

	2012 ***HK$'000***	2011 *HK$'000*
Increase in income tax expenses and decrease in profit for the year	**16,237**	82,993

The effect of the adoption of amendments to HKAS 12 described above on the consolidated statement of financial position as at 1 January 2011 and 31 December 2011 is as follows:

Effects on net assets and equity as at 1 January 2011 and 31 December 2011

	As at 1 January 2011 (originally stated) *HK$'000*	**Amendments to HKAS 12 adjustments** *HK$'000*	**As at 1 January 2011 (restated)** *HK$'000*	**As at 31 December 2011 (originally stated)** *HK$'000*	**Amendments to HKAS 12 adjustments** *HK$'000*	**As at 31 December 2011 (restated)** *HK$'000*
Deferred tax liabilities, total effects on net assets	283,470	43,963	327,433	419,854	126,956	546,810
Retained profits, total effects on equity	4,283,549	(43,963)	4,239,586	4,825,352	(126,956)	4,698,396

The effect of the adoption of amendments to HKAS 12 described above on the consolidated statement of financial position as at 31 December 2012 is as follows:

Effects on net assets and equity as at 31 December 2012

	As at 31 December 2012 ***HK$'000***
Increase in deferred tax liabilities and total effects on net assets	**143,193**
Decrease in retained profits, total effects on equity	**143,193**

The effect of the adoption of amendments to HKAS 12 described above on the Group's basic and diluted earnings per share for the current and prior year is as follows:

	Basic earnings per share		Diluted earnings per share	
	2012	2011	**2012**	2011
	HK$	*HK$*	***HK$***	*HK$*
Figures before adjustments	**1.12**	1.10	**1.12**	1.10
Amendments to HKAS 12 adjustments	**(0.02)**	(0.11)	**(0.02)**	(0.11)
Figures after adjustments	**1.10**	0.99	**1.10**	0.99

Amendments to HKAS 1 "Presentation of Financial Statements" (as part of the Annual Improvements to HKFRSs 2009–2011 Cycle issued in June 2012)

Various amendments to HKFRSs were issued in June 2012, the title of which is "Annual Improvements to HKFRSs 2009–2011 Cycle". The effective date of these amendments is annual periods beginning on or after 1 January 2013.

In the current year, the Group has applied for the first time the amendments to HKAS 1 in advance of the effective date (annual periods beginning on or after 1 January 2013).

HKAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to HKAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

In the current year, the Group has applied the amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" for the first time, which has resulted in a material effect on the information in the consolidated statement of financial position as at 1 January 2011. In accordance with the amendments to HKAS 1, the Group has therefore presented a third statement of financial position as at 1 January 2011 without the related notes.

Apart from those mentioned above, the Group has not early applied the new and revised standards, amendments and interpretation that have been issued but are not yet effective. Except for those mentioned below, the Directors anticipate that the application of other new and revised standards, amendments and interpretation will have no material impact on the results and the financial position of the Group.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011). These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013 with earlier application permitted provided that all of these standards are applied at the same time.

The Directors anticipate that the application of these five standards may have no material impact on the results and the financial position of the Group but would result in more extensive disclosures in the consolidated financial statements.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The Directors anticipate that the application of the new standard will have no material impact on the results and the financial position of the Group but would result in more extensive disclosures in the consolidated financial statements.

3. REVENUE

	2012	2011
	HK$'000	*HK$'000*
Revenue of the Group		
Sale of completed properties held for sale	**9,166,133**	6,746,570
Gross rental income from properties	**42,278**	20,030
Others	**135,719**	65,908
	9,344,130	6,832,508
Group's share of toll revenue of infrastructure joint ventures	**839,496**	844,157
Revenue of the Group and Group's share of toll revenue of infrastructure joint ventures	**10,183,626**	7,676,665

4. SEGMENT INFORMATION

The Group's operating segments, based on the information reported to the Group's chief operating decision maker for the purpose of resources allocation and assessment of performance are as follows:

Toll road	–	development, operation and management of toll roads through the infrastructure joint ventures
Property development and investment	–	development of properties for sale and for rental income potential and/or capital appreciation

The following is an analysis of the Group's revenue, profit, assets, liabilities and other information by operating segments for the years under review:

	2012			2011		
	Toll road *HK$'000*	**Property development and investment** *HK$'000*	**Total** *HK$'000*	Toll road *HK$'000*	Property development and investment *HK$'000* (restated)	Total *HK$'000* (restated)
Segment revenue	**–**	**9,344,130**	**9,344,130**	–	6,832,508	6,832,508
Segment profit	**166,354**	**725,063**	**891,417**	89,350	644,220	733,570
Segment assets (including interests in joint ventures)	**4,344,976**	**29,267,108**	**33,612,084**	4,231,055	25,068,574	29,299,629
Segment liabilities	**(31,248)**	**(22,167,646)**	**(22,198,894)**	(34,658)	(17,687,031)	(17,721,689)

Other segment information

	2012			2011		
	Toll road *HK$'000*	**Property development and investment** *HK$'000*	**Total** *HK$'000*	Toll road *HK$'000*	Property development and investment *HK$'000* (restated)	Total *HK$'000* (restated)
Amounts included in the measure of segment profit or segment assets:						
Interest income	**14,498**	**33,371**	**47,869**	1,233	25,150	26,383
Impairment losses on interests in joint ventures	**(49,019)**	**–**	**(49,019)**	(118,343)	–	(118,343)
Fair value gains on transfer of completed properties held for sale to investment properties	**–**	**63,726**	**63,726**	–	292,562	292,562
Change in fair value of investment properties	**–**	**136,029**	**136,029**	–	62,467	62,467
Depreciation	**(167)**	**(9,324)**	**(9,491)**	(142)	(10,091)	(10,233)
Finance costs	**(3,506)**	**(150,707)**	**(154,213)**	(3,385)	(87,122)	(90,507)
Income tax expenses	**(12,950)**	**(1,452,053)**	**(1,465,003)**	(15,335)	(1,101,538)	(1,116,873)
Share of results of joint ventures	**271,152**	**15,484**	**286,636**	298,305	36,914	335,219
Interests in joint ventures	**3,948,682**	**72,559**	**4,021,241**	4,151,958	55,641	4,207,599
Additions to non-current assets during the year	**22,644**	**263,650**	**286,294**	624,338	920,774	1,545,112

(a) Measurement

The accounting policies of the operating segments are the same as the Group's accounting policies.

Segment profit represents profit earned by each segment, which includes share of results of joint ventures, impairment losses on interests in joint ventures, fair value gains on transfer of completed properties held for sale to investment properties, change in fair value of investment properties, depreciation of property, plant and equipment, relevant interest income and finance costs and income tax expenses attributable to the relevant segment but without allocation of headquarters income and expenses.

Segment revenue comprises revenue from external customers. There was no inter-segment revenue.

Segment assets include property, plant and equipment, investment properties, interests in joint ventures, long-term receivables, inventory of properties, prepayment for land leases, loans to joint ventures, debtors, deposits and prepayments, prepaid income tax, pledged bank deposits, bank balances and cash and deferred tax assets which are directly attributable to the relevant reportable segment.

Segment liabilities include creditors and accrued charges, deposits from pre-sale of properties, income tax payable, bank and other borrowings, loans from non-controlling interests of a subsidiary and deferred tax liabilities which are directly attributable to the relevant reportable segment.

Additions to non-current assets are the total costs incurred during the year to acquire segment assets that are expected to be used for more than one year and comprise purchase of property, plant and equipment, investment properties (including prepayment for land leases for investment properties) and capital contributions to joint ventures directly attributable to the segment.

(b) Reconciliation of total segment profit, total segment assets and total segment liabilities

	2012	2011
	HK$'000	*HK$'000*
		(restated)
Total segment profit	**891,417**	733,570
Unallocated items:		
Interest income	**2,272**	4,058
Corporate income	**51,543**	63,707
Corporate expenses	**(22,160)**	(16,750)
Finance costs	**(70,338)**	(41,872)
Consolidated profit for the year	**852,734**	742,713
Total segment assets	**33,612,084**	29,299,629
Unallocated assets:		
Property, plant and equipment	**2,364**	2,128
Deposits and prepayments	**41,631**	1,755
Bank balances and cash	**3,619,262**	2,428,677
Consolidated total assets	**37,275,341**	31,732,189
Total segment liabilities	**(22,198,894)**	(17,721,689)
Unallocated liabilities:		
Accrued charges	**(190,938)**	(133,423)
Bank and other borrowings	**(2,614,677)**	(2,443,672)
Other financial liabilities	**(47,959)**	(84,177)
Consolidated total liabilities	**(25,052,468)**	(20,382,961)

(c) Revenue from major products and services

The Group's revenue for the year mainly comprises sale of completed residential properties developed by the Group for sale purposes and rental income.

(d) Information about geographical areas

All of the Group's revenue is attributable to customers in the People's Republic of China ("PRC") and over 90% of the Group's total non-current assets (excluding deferred tax assets, loans to a joint venture and long-term receivables) are located in the PRC and the remaining non-current assets are located in Hong Kong.

(e) Information about major customers

In view of the nature of the toll road business, there are no major customers. For the property business, there was no customer who accounted for over 10% of the total revenue generated from property development and investment business.

5. OTHER GAINS AND LOSSES

	2012	2011
	HK$'000	*HK$'000*
Impairment losses on interests in joint ventures	**(49,019)**	(118,343)
Gains on disposal of property, plant and equipment	**164**	32,288
Fair value gains on transfer of completed properties held for sale to investment properties	**63,726**	292,562
Change in fair value of investment properties	**136,029**	62,467
Change in fair value of other financial liabilities	**14,921**	(84,177)
Net exchange gains	**135,696**	211,772
	301,517	396,569

6. SHARE OF RESULTS OF JOINT VENTURES

	2012	2011
	HK$'000	*HK$'000*
Share of profits of infrastructure joint ventures before amortisation and taxation	**574,516**	607,124
Less share of: Amortisation of toll road operation rights	**(189,985)**	(202,696)
Income tax expenses	**(113,379)**	(106,123)
	271,152	298,305
Share of profit of other joint venture	**15,484**	36,914
	286,636	335,219

7. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
Interest on borrowings wholly repayable within five years	**773,891**	617,839
Other finance costs	**124,303**	55,344
	898,194	673,183
Less: Capitalised in properties under development for sale	**(673,643)**	(540,804)
	224,551	132,379

Borrowing costs capitalised during the year are calculated by applying a capitalisation rate of 7.33% (2011: 6.77%) per annum to expenditure on qualifying assets.

8. PROFIT BEFORE TAXATION

	2012	2011
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**11,561**	11,690
Less: Capitalised in properties under development for sale	**(1,387)**	(1,033)
	10,174	10,657
Minimum lease payments paid under operating lease rentals in respect of land and buildings	**15,620**	13,462
Less: Capitalised in properties under development for sale	**(1,432)**	(207)
	14,188	13,255
Salaries and other benefits	**335,187**	295,527
Provident fund scheme contributions, net of forfeited contributions of HK$366,000 (2011: HK$19,000)	**51,264**	45,698
Less: Capitalised in properties under development for sale	**(116,472)**	(90,081)
Total staff costs (excluding Directors' emoluments)	**269,979**	251,144
Audit fee	**3,800**	3,800
Cost of inventory of properties recognised as an expense	**6,494,483**	4,803,413
and after crediting:		
Bank interest income	**33,402**	26,694
Rental income in respect of investment properties with insignificant rental outgoings	**42,278**	20,030

9. INCOME TAX EXPENSES

	2012	2011
	HK$'000	*HK$'000*
		(restated)
Current tax:		
PRC enterprise income tax ("EIT")	**670,595**	396,602
PRC land appreciation tax ("LAT")	**665,925**	485,322
PRC withholding tax	**79,835**	29,456
	1,416,355	911,380
Deferred tax:		
LAT	**21,649**	110,657
Others	**26,999**	94,836
	1,465,003	1,116,873

No provision for Hong Kong profits tax has been made as there was no assessable profit derived from Hong Kong.

The EIT is calculated at a statutory tax rate of 25%.

The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations which is charged at progressive rates ranging from 30% to 60% of the appreciation value, with certain allowable deductions.

10. DIVIDENDS PAID

	2012	2011
	HK$'000	*HK$'000*
2011 final dividend paid of HK$0.24 (2011: 2010 final dividend of HK$0.23) per share	**178,064**	170,645
2012 interim dividend paid of HK$0.16 (2011: 2011 interim dividend of HK$0.22) per share	**118,710**	163,226
	296,774	333,871

Subsequent to the end of the reporting period, a final dividend in respect of 2012 of HK$0.30 per share amounting to a total of approximately HK$223 million has been proposed by the Board on 1 March 2013. The amount has not been included as a liability in the consolidated financial statements as it was not declared before the end of the reporting period.

The amount of the proposed final dividend has been calculated on the basis of 741,934,566 shares in issue as at 1 March 2013.

11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2012	2011
	HK$'000	*HK$'000*
		(restated)
Earnings for the purposes of basic and diluted earnings per share attributable to owners of the Company	**818,179**	735,007
	Number of shares	Number of shares
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**741,935**	741,935
Effect of dilutive potential ordinary shares:		
Share options	**–**	4
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**741,935**	741,939

The computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise prices of the share options were higher than the average market prices of the shares for 2012.

12. DEBTORS, DEPOSITS AND PREPAYMENTS

	2012	2011
	HK$'000	*HK$'000*
Aged analysis of trade debtors, presented based on invoice dates *(Note)*:		
Within 60 days	**3,362**	2,109
60 to 90 days	**15**	–
More than 90 days	**7,638**	5,595
	11,015	7,704
Refundable tender deposits for acquisition of land	**24,814**	60,680
Prepayment of business tax and other taxes	**336,309**	203,135
Other receivables, deposits and prepayments	**434,823**	312,006
	806,961	583,525

Note: The debtors are mainly arisen from sale of properties. Consideration in respect of properties sold is paid in accordance with the terms of the related sale and purchase agreements, normally within 60 days from the agreements. Consideration under pre-sale contracts will be fully received prior to the delivery of the properties to the purchasers.

13. CREDITORS AND ACCRUED CHARGES

	2012 *HK$'000*	2011 *HK$'000*
Aged analysis of creditors presented based on invoice dates:		
Trade payables		
Within 60 days	**56,357**	84,023
60 to 90 days	**17,813**	11,053
More than 90 days	**189,250**	126,673
	263,420	221,749
Bills payables		
Within 60 days	**14,268**	6,553
60 to 90 days	**13,275**	1,214
More than 90 days	**27,357**	12,015
	54,900	19,782
Accrued construction costs	**3,565,433**	2,455,115
	3,883,753	2,696,646
Interest payable	**183,420**	126,154
Accrued taxes (other than EIT and LAT)	**87,851**	27,339
Other payables and accrued charges	**607,476**	442,698
	4,762,500	3,292,837

14. TOTAL ASSETS LESS CURRENT LIABILITIES/NET CURRENT ASSETS

The Group's total assets less current liabilities at 31 December 2012 amounted to HK$20,952,793,000 (2011: HK$18,816,149,000). The Group's net current assets at 31 December 2012 amounted to HK$14,252,347,000 (2011: HK$12,063,862,000).

DIVIDEND

The Board has resolved to recommend a final dividend of HK$0.30 (2011: HK$0.24) per share for the year ended 31 December 2012 to the shareholders of the Company (the "Shareholders") whose names appear in the register of members of the Company on Thursday, 16 May 2013, subject to approval of the Shareholders at the forthcoming annual general meeting. It is expected that payment of the final dividend will be made on or before Friday, 31 May 2013.

CLOSURES OF REGISTER OF MEMBERS

To be eligible to attend and vote at the forthcoming annual general meeting

The register of members of the Company will be closed from Monday, 6 May 2013 to Wednesday, 8 May 2013, both dates inclusive, during which period no transfer of shares will be registered. In order for the Shareholders to be eligible to attend and vote at the forthcoming annual general meeting, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Friday, 3 May 2013 for registration.

To qualify for the proposed final dividend

The register of members of the Company will also be closed from Wednesday, 15 May 2013 and Thursday, 16 May 2013, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 14 May 2013 for registration.

BUSINESS REVIEW

Results for 2012

The profit attributable to the owners of the Company for 2012 was HK$818 million, and earnings per share was HK$1.10 (2011 (restated): HK$0.99 per share). The performance of the Group's toll road business in 2012 was in line with expectation despite the impact of government policies. The property business achieved solid growth, with contracted sales amounting to RMB9,563 million (including those of a joint venture) for the year, representing an increase of 69% over 2011. Furthermore, the Group also had outstanding subscribed sales of around RMB800 million at the end of December 2012. The value of the delivered properties increased by 37% over 2011.

Toll Road Business

The Group's share of results of toll road joint ventures for 2012 and 2011 are as follows:

	2012	2011
	HK$'million	*HK$'million*
Share of results of joint ventures before amortisation and taxation	**575**	607
Less: Share of amortisation of toll road operation rights and taxation	**(303)**	(309)
Withholding tax	**(13)**	(15)
Share of operating profits of joint ventures	**259**	283

The traffic volume and toll revenue of the existing toll roads for 2012 are as follows:

Project	**2012 Average Daily Traffic**	**Increase (decrease)**	**2012 Toll Revenue**	**Increase (decrease)**
	Vehicles	*%*	*RMB'million*	*%*
Expressways				
Baojin Expressway	39,000	(3)	681	(4)
Tangjin Expressway	37,000	(12)	527	(17)
Changyi Expressway	34,000	1	384	12
Longcheng Expressway *(Note)*	12,000	N/A	74	N/A
	122,000	5	1,666	(1)
Highways	80,000	(5)	260	(11)
	202,000	1	1,926	(3)

Note: As Longcheng Expressway commenced operation and toll collection on 19 July 2012, there is no comparative information available for the same period of last year.

The total traffic volume reached 74 million vehicles and toll revenue was RMB1,926 million in 2012. Toll revenue contributed by expressway projects represented approximately 87% of the Group's toll road business.

The slight decrease in toll revenue in 2012 as compared with 2011 was mainly due to major maintenance works undertaken by a connecting expressway, as well as a drop in the demand of raw materials such as steel, resulting from the austerity measures adopted by the government, which led to a mild decline in the traffic volume and toll revenue of Baojin Expressway and Tangjin Expressway in Hebei Province. The "Notice on Toll-Free on Major Festivals and Holidays for Small Passenger Vehicles Implementation Policy" issued by the State Council that allows passenger vehicles with seven seats or less to use all toll roads during four major statutory festivals and holidays together with prescribed rest days free of charge also had a minor impact on the toll revenue of the Group's toll road projects.

The Ministry of Transport, the National Development and Reform Commission, the Ministry of Finance, the Ministry of Supervision and the Office of Redressing Malpractices, State Council, launched an inspection and rectification campaign on highway projects in 2011. The Group utilised this opportunity to accelerate the withdrawal from certain Class I/II highway projects which is in line with the Group's strategy to optimise its investment portfolio. In 2012, the Group withdrew from Xuchang-Nanyang Highway.

Longcheng Expressway, an expressway located in Shanxi Province and invested by the Group in 2011, commenced operation in mid-July 2012 and has seen steady increase in its traffic volume and toll revenue. With its performance in line with expectation, Longcheng Expressway is expected to generate considerable income for the Group. Given a change in the distribution percentage for Baojin Expressway and Tangjin Expressway in Hebei Province in the next few years, it is anticipated that the income generated from the Group's existing expressway projects will increase significantly.

Property Business

In 2012, although maintaining economic development was still the prime target, the austerity measures imposed on the property market in the PRC were not relaxed. However, in order to meet with the reasonable demand of owner-occupiers for houses and to stabilise economic growth, the government eased its monetary policy moderately, including the two moves to lower both the required reserve ratio and the benchmark interest rates for deposits and loans. The government had also stepped up differential credit policy to curb the property investment and speculation activities, while meeting the demand of first-time home buyers and first-time home upgraders. As a result, the transaction volume of the PRC property market increased and the operating environment began to stabilise.

Set out below is an analysis of the profit of the Group's property business for 2012 and 2011:

	For the year ended 31 December	
	2012	2011
	HK$'million	*HK$'million*
		(restated)
Revenue	**9,344**	6,833
Gross Profit	**2,718**	1,911
Sales and management fees	**(761)**	(611)
Profit after taxation	**725**	644

The Group achieved growth of operating revenue and profitability by responding promptly to market changes and enhancing the management team. Revenue which mainly generated from the delivery of properties was HK$9,344 million in 2012, representing a growth of 37% from the previous year, and mainly contributed by the projects in Northern China and Eastern China. The total area delivered in 2012 was 888,000 sqm, representing a growth of 21% as compared with that in 2011. In line with the increase in the delivery of properties, the segment profit of the property business increased to HK$725 million.

Set out below is an analysis of the Group's property sales and delivery by region for 2012:

	Sales		**Delivery**	
Regions	**Amount**	**GFA**	**Amount**	**GFA**
(Notes)	*RMB'million*	*Sqm*	*RMB'million*	*Sqm*
Northern China	4,096	412,000	3,237	338,000
Central China	1,034	121,000	1,524	199,000
Eastern China	3,601	406,000	3,148	350,000
Southern China	571	59,000	10	1,000
Subtotal	9,302	998,000	7,919	888,000
Joint venture project	261	21,000	252	20,000
Total	9,563	1,019,000	8,171	908,000

Notes:

Northern China comprises Beijing, Tianjin, Hebei Province and Shandong Province.
Central China comprises Henan Province and Hubei Province.
Eastern China comprises Shanghai and Jiangsu Province.
Southern China comprises Guangzhou City.

In 2012, the Group managed the sales program in accordance with the market conditions and accelerated cash collection. In the meantime, the Group was committed to enhancing the quality of projects, improving project management and replenishing its land reserve at the right opportunity, with a view to ensuring sustainable development of the property business. The Group (including a joint venture) recorded sales of RMB9,563 million in 2012, representing a surge of 69% as compared with that in 2011, with an average selling price of approximately RMB9,400 per sqm.

On 5 February 2013, the Group disposed of an investment property, Parkvista Phase II, in Guangzhou City to an independent third party at a consideration of RMB400 million. Details of the disposal were set out in an announcement dated 6 February 2013.

Land reserve

With a view to replenishing its land reserve, the Group acquired two pieces of land in Shanghai City and Changzhou City, with an aggregate GFA of more than 800,000 sqm in September 2012. At the beginning of 2013, the Group secured another new piece of land in Luoyang City, Henan Province with an aggregate GFA of about 400,000 sqm.

The Group's land reserve includes properties under planning and construction, properties held for sale and properties held for investment. As at 31 December 2012, the Group's land reserve had attributable GFA of about 4.41 million sqm.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 December 2012, the equity attributable to the owners of the Company increased to HK$11,793 million (2011 (restated): HK$11,072 million). The increase was mainly attributable to the profit generated during the year. Net assets per share attributable to the owners of the Company increased to HK$15.9 (2011 (restated): HK$14.9).

As at 31 December 2012, the Group's total assets were HK$37,275 million (2011: HK$31,732 million) and bank balances and cash were HK$5,168 million (2011: HK$3,184 million), of which 94% was denominated in Renminbi and the remaining 6% was mainly denominated in US dollars or HK dollars.

The Group continues to adopt prudent financing and treasury policies. The entire Group's financing and treasury activities are centrally managed and controlled. Implementation of the Group's related policies is made under collective but extensive considerations on liquidity risk, financing cost and exchange rate risk.

During the year, the Group had issued US$350 million 9.875% guaranteed senior notes and drawn down of several offshore bank loans in Hong Kong as well as project loans in the PRC amounting to HK$3,318 million equivalent in aggregate. These new borrowings were offset by the repayment of certain bank loans and redemption of guaranteed notes.

The gearing ratios of the Group are analysed as follows:

Gearing ratio*	At 31 December 2012	2011
Gross gearing ratio	**96%**	92%
Net gearing ratio	**51%**	61%

* The gross gearing ratio, representing interest bearing borrowings to the equity attributable to the owners of the Company, whereas the net gearing ratio, representing the difference of Group's total interest bearing borrowings and the bank balances and cash (including pledged bank deposits) to the owners' equity of the Company.

The Group's borrowings were mainly on a fixed rate basis, which included, among the others, following notes:

(a) RMB1,300 million 6.0% guaranteed senior notes due in 2014;

(b) US$350 million (outstanding principal amount of US$333.58 million as at 31 December 2012) 9.5% guaranteed senior notes due in 2015; and

(c) US$350 million 9.875% guaranteed senior notes due in 2017.

Interest coverage for the year under review was 12.7 times (2011 (restated): 17.5 times).

Charges on Assets

As at 31 December 2012, bank balances of HK$169 million (2011: HK$237 million) were pledged as security in favour of banks for certain mortgage facilities granted to customers of the Group's property projects and short-term credit facilities granted to the Group. In addition, properties with carrying value of HK$2,639 million (2011: HK$1,830 million) were pledged as securities for certain loan facilities.

Exposure on Foreign Exchange Fluctuations and Interest Rates

The Group's borrowings are mainly denominated in Renminbi and US dollars but the cash flow is generated from projects whose earnings were denominated principally in Renminbi. As a result, the Group is exposed to foreign currency risk on the fluctuation of Renminbi and US dollars.

The Group's exposure to interest rate risk results mainly from fluctuation in interest rates relating to its borrowings denominated in Renminbi and US dollars. Therefore the monetary policies implemented by the PRC and the US governments continue to have a major impact on the Group's results and operations. Furthermore, the Directors consider that the interest rate fluctuation caused by the fluidity and instability of the global economy and financial systems also has an impact on the operations of the Group.

Save for the aforesaid, the Group has no significant exposure to foreign exchange risk and interest rate risk. The Group will continue to monitor its exposure to these risks closely and may arrange hedging against the risks exposed as and when necessary and appropriate.

Contingent Liabilities

As at 31 December 2012, the Group had provided guarantees of HK$4,214 million (2011: HK$4,696 million) to banks in favour of its customers in respect of the mortgage loans provided by the banks to such customers for purchase of the Group's properties. The guarantees would be released after the customers have pledged their property certificates as securities to the banks for the mortgage loans granted.

Employees

Excluding the staff of joint ventures, the Group had 1,949 employees as at 31 December 2012 (2011: 1,832). Expenditure on staff (excluding Directors' emoluments) amounted to HK$386 million (2011: HK$341 million). Employees are remunerated according to their performance and contribution. Other employee benefits include provident fund, insurance, medical cover and training programs, as well as a share option scheme. During the year under review, no share option was granted.

PROSPECT

The Group believes that the toll road business, which the Group is well versed in, still has a great prospect and will generate steady cash flows and profit for the Group. In the next few years, the Group will continue to dispose of Class I/II highway projects and increase investment in expressway projects. The revenue from the Group's existing expressways is expected to grow in the foreseeable future, and the Group is confident in securing new expressway projects. The Group is currently in the process of final discussion and preparation for the approval procedures in relation to an expressway project, and is also studying other toll road projects.

With respect to the property business, the Group will actively focus on regional development and continue to adopt the strategy that balances high turnover rate and profitability. The Group will also enhance product development, product quality and brand recognition. The Group intends to improve the operation and results of the property business by leveraging on its market knowledge, business relationships, customer recognition and team power. In addition, the Group will continue to acquire land that fits into its development strategy to expand and develop the property business.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

Redemption

Redemption of US$150 million floating rate guaranteed notes due 2012

For the year ended 31 December 2012, Road King Infrastructure Finance (2007) Limited ("RKIF 2007"), a wholly-owned subsidiary of the Company, redeemed all the outstanding principal amount of US$150 million floating rate guaranteed notes due 2012 ("2012 Notes") on 14 May 2012 (being the maturity date of the 2012 Notes) at the redemption price equal to 100% of the outstanding principal amount of the 2012 Notes, which was US$149,000,000 plus accrued interest.

Redemption of US$200 million 7.625% guaranteed notes due 2014

RKIF 2007 redeemed all the principal amount of US$200 million 7.625% guaranteed notes due 2014 ("2014 Notes") on 28 September 2012 at the redemption price equal to 101.9063% of the principal amount of the 2014 Notes plus accrued interest.

Subsequent to the redemptions of the respective 2012 Notes and 2014 Notes, they were cancelled and delisted from the official list of the Singapore Exchange Securities Trading Limited.

Save as the above, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Group's listed securities during the year ended 31 December 2012.

CORPORATE GOVERNANCE CODE

Saved as disclosed below, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (effective until 31 March 2012) and Corporate Governance Code (effective from 1 April 2012) (collectively, the "Code") as stated in Appendix 14 of the Listing Rules on the SEHK throughout the year ended 31 December 2012.

Code provision A.4.1 stipulates that Non-executive Directors should be appointed for a specific term, subject to re-election. Prior to 22 June 2012, not all of the Non-executive Directors of the Company were appointed for a specific term but, in accordance with Bye-law 87 of the Company's Bye-laws, at each annual general meeting, not less than one-third of the Directors for the time being shall retire from office by rotation. The Company considers that this is no less exacting than those provided in the Code. Code provision A.4.1 has been complied with since 22 June 2012.

In respect of code provision A.6.7, two Non-executive Directors did not attend the annual general meeting of the Company held on 15 May 2012 due to other business commitments.

REVIEW AND AUDIT OF ACCOUNTS

The consolidated financial statements of the Group for the year ended 31 December 2012 have been reviewed by the Audit Committee of the Company and audited by the Company's external auditor.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at Jade and Lotus Rooms, 6th Floor, Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Wednesday, 8 May 2013 at 10:30 a.m. and the notice of annual general meeting will be published and despatched to the Shareholders in the manner as required by the Listing Rules.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Company (www.roadking.com.hk) and the SEHK (www.hkexnews.hk). The Annual Report containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the aforesaid websites in due course.

APPRECIATION

The Board would like to take this opportunity to express hearty gratitude to all Shareholders, business partners, and loyal and dedicated staff.

By order of the Board
Road King Infrastructure Limited
Zen Wei Pao, William
Chairman

Hong Kong, 1 March 2013

As at the date of this announcement, the Board comprises Messrs. Zen Wei Pao, William, Ko Yuk Bing, Chan Kam Hung, Fong Shiu Leung, Keter, Zen Wei Peu, Derek and Xu Ruxin as Executive Directors, Messrs. Lu Hua and Lam Wai Hon, Patrick as Non-executive Directors and Mr. Chow Shiu Kee, Stephen, Mr. Lau Sai Yung, Dr. Chow Ming Kuen, Joseph, Ms. Nie Meisheng and Mr. Tse Chee On, Raymond as Independent Non-executive Directors.